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**RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/7/01

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
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JUNE 30, 2001

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GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Honorable Buddy Huckabay
Red River Parish Sheriff
P. O. Box 375
Coushatta, Louisiana 71019

We have audited the accompanying general purpose financial statements of the Red River Parish Sheriff, Coushatta, Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Red River Parish Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Red River Parish Sheriff, Coushatta, Louisiana, as of June 30, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2001, on our consideration of the Red River Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Red River Parish Sheriff, Coushatta, Louisiana, taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Hines, Jackson & Hines
Natchitoches, Louisiana
October 19, 2001

COMBINED STATEMENTS - OVERVIEW

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	<u>Governmental</u> <u>Fund Types</u>	<u>Fiduciary</u> <u>Fund Types</u>	<u>Account Group</u>	<u>Total</u>
	<u>General</u>	<u>Agency</u> <u>Funds</u>	<u>General</u> <u>Fixed Assets</u>	<u>(Memorandum</u> <u>Only)</u>
ASSETS				
Cash and cash equivalents	\$ 780,797	\$ 191,846	\$ 0	\$ 972,643
Investments	175,647	0	0	175,647
Receivables	81,374	0	0	81,374
Prepaid Expense	30,963	0	0	30,963
Property and equipment	0	0	907,910	907,910
Total Assets	<u>\$ 1,068,781</u>	<u>\$ 191,846</u>	<u>\$ 907,910</u>	<u>\$ 2,168,537</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 34,985	\$ 0	\$ 0	\$ 34,985
Accrued liabilities	45,265	0	0	45,265
Due to taxing bodies and others	0	191,846	0	191,846
Total Liabilities	80,250	191,846	0	272,096
Fund Equity				
Investment in general fixed assets	0	0	907,910	907,910
Fund balance				
Unreserved	988,531	0	0	988,531
Total Fund Equity	988,531	0	907,910	1,896,441
Total Liabilities and Fund Equity	<u>\$ 1,068,781</u>	<u>\$ 191,846</u>	<u>\$ 907,910</u>	<u>\$ 2,168,537</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2001

Revenues	
Taxes	\$ 915,052
Intergovernmental	258,618
Fees, charges, and commissions for services	614,355
Interest	18,441
Other	<u>25,903</u>
Total Revenues	1,832,369
Expenditures	
Public Safety	
Salaries and related benefits	1,407,719
Operating services	110,199
Materials and supplies	133,286
Travel and other charges	9,627
Capital outlay	<u>249,818</u>
Total Expenditures	<u>1,910,649</u>
Excess of Revenues Over/(Under) Expenditures	(78,280)
Other Financing Sources/(Uses)	
Sale of assets	<u>17,054</u>
Total Other Financing Sources/(Uses)	<u>17,054</u>
Excess of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	(61,226)
FUND BALANCE, Beginning of year	<u>1,049,757</u>
FUND BALANCE, End of year	<u><u>\$ 988,531</u></u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES- BUDGET (GAAP BASIS) AND ACTUAL- GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./Unfav.</u>
Revenues			
Taxes	\$ 907,000	\$ 915,052	\$ 8,052
Intergovernmental	251,658	258,618	6,960
Fees, charges, and commissions for services	529,524	614,355	84,831
Interest	18,785	18,441	(344)
Miscellaneous	<u>42,055</u>	<u>25,903</u>	<u>(16,152)</u>
Total Revenues	1,749,022	1,832,369	83,347
Expenditures			
Public safety			
Salaries and related benefits	1,409,227	1,407,719	1,508
Operating services	111,850	110,199	1,651
Materials and supplies	132,710	133,286	(576)
Travel and other charges	2,656	9,627	(6,971)
Capital outlay	<u>231,845</u>	<u>249,818</u>	<u>(17,973)</u>
Total Expenditures	<u>1,888,288</u>	<u>1,910,649</u>	<u>(22,361)</u>
Excess of Revenues Over/(Under) Expenditures	(139,266)	(78,280)	60,986
Other Financing Sources/(Uses)			
Sale of assets	<u>9,730</u>	<u>17,054</u>	<u>7,324</u>
Total Other Financing Sources/(Uses)	<u>9,730</u>	<u>17,054</u>	<u>7,324</u>
Excess of Revenues and Other Financing Sources Over /(Under) Expenditures and Other Financing Uses	<u>\$ (129,536)</u>	<u>(61,226)</u>	<u>\$ 68,310</u>
FUND BALANCE, Beginning of year		<u>1,049,757</u>	
FUND BALANCE, End of year		<u>\$ 988,531</u>	

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sportsmen licenses, and fines, costs, and bond forfeitures imposed by the district court.

The financial statements of the Red River Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Sheriff's accounting policies are described below:

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Red River Parish Police Jury is the financial reporting entity for Red River Parish. The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a) The ability of the primary government to impose its will on an organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

The Red River Parish Sheriff is an independent elected parish official. His office receives funding primarily through ad valorem taxes, fees, charges, and commissions for services. The office is independent and receives no financial benefit from the Red River Parish Police Jury other than the provision of office space. The Red River Parish Sheriff was determined not to be a component unit of the Red River Parish Police Jury.

Based on the application of criteria established by GASB Statement No. 14, it was determined that the Red River Parish Sheriff has no financial accountability and exercises no oversight responsibility for any other entity. Therefore, the accompanying financial statements present information only on the funds maintained by the Red River Parish Sheriff.

B. FUND ACCOUNTING

The accounts of the sheriff are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Fund accounting is designed to demonstrate legal compliance with laws, regulations, or other restrictions. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Fund Types - These are funds through which most governmental functions typically are financed.

General Fund - The General Fund, as provided by Louisiana Revised Statutes 33:1422, is the principal fund of the sheriff's office and is used to account for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Fiduciary Fund Types - These funds account for assets held by the Sheriff as a trustee or agent for individuals or other units of governments.

Agency Funds - Agency funds are used as depositories for ad valorem taxes, civil suits, cash bonds, taxes and fees. Disbursements from the funds are made to various parish agencies, litigants in suits, and others, in the manner prescribed by law.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by the fund's measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. FIXED ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Account Groups - An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes. Assets provided by the parish police jury are not recorded within the general fixed assets account group. Fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for long-term obligations expected to be financed by governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

Property, plant, and equipment acquired for the proprietary funds is capitalized in the respective funds to which it applies.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity is included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases/(revenues) and decreases/(expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by the enterprise fund is charged as an expense against its operations. Accumulated depreciation is reported on the enterprise fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF ACCOUNTING (CONTINUED)

The accompanying financial statements have been prepared using the modified accrual basis of accounting. All governmental fund types and agency funds use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Sheriff considers ad valorem taxes as available if they are collected within 60 days after the fiscal year end. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, February, and March of the fiscal year.

Those revenues susceptible to accrual include ad valorem taxes and the related state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues other than interest revenue are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due.

E. BUDGETS AND BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The Sheriff adopts annual operating budgets for the General Fund for each fiscal year and amends them as required.

The Sheriff follows these procedures in establishing the budgetary data reflected in these financial statements:

1. Prior to May 31, a proposed operating budget for the fiscal year commencing the following July 1, is prepared. The operating budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for inspection. A public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. Prior to June 30, the proposed budget is legally enacted by the Sheriff.
5. The chief civil deputy is authorized to transfer budgeted amounts between departments within the general fund. However, any revisions that alter the total expenditures of the general fund must be approved by the Sheriff.
6. All budgetary appropriations lapse at the end of the fiscal year.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

7. Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Sheriff's procedures with respect to its budget are designed to meet the requirements of the Louisiana Local Government Budget Act (LSA- R.S. 1301-1314). The adopted budgets, as amended, for the fiscal year ended June 30, 2001 are presented in the accompanying financial statements.

F. CASH AND CASH EQUIVALENTS

Consistent with GASB Statement 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting", the Red River Parish Sheriff defines cash and cash equivalents as follows:

Cash includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents includes all short term highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. RECEIVABLES

All receivables are reported at their gross value and, where applicable are reduced by the estimated portion that is expected to be uncollectible.

H. COMPENSATED ABSENCES

Full-time employees that have been employed one year earn one week of vacation and two weeks of sick leave and employees that have been employed two or more years earn two weeks of vacation and two weeks of sick leave per year. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Sick leave does carryover from one fiscal year to the next and can be accumulated up to a maximum of four week; however, there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

I. FUND EQUITY

The unreserved fund balances for the governmental funds represent the amount available for budgeting future operations.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Red River Parish Sheriff.

K. TOTAL COLUMN ON COMBINED STATEMENTS - OVERVIEW

The total column on the combined statements - overview is captioned "(Memorandum Only)" to indicate that it is presented only to facilitate analysis. The data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

L. ESTIMATES

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

Louisiana Revised Statutes authorize the Red River Parish Sheriff to invest in United States bonds, treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Deposits are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

At June 30, 2001, the Sheriff had cash and cash equivalents totaling \$972,643, as follows:

	<u>General Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Petty cash	\$ 600	\$ 0	\$ 600
Demand deposit accounts	11,660	105,061	116,721
Interest bearing demand deposit accounts	768,537	4,356	772,893
Time deposits	<u>0</u>	<u>82,429</u>	<u>82,429</u>
Total	<u>\$ 780,797</u>	<u>\$ 191,846</u>	<u>\$ 972,643</u>

Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2001, the Sheriff had \$1,190,881 in bank deposits. These deposits were secured from risk by \$467,438 of federal deposit insurance and \$2,733,855 (market value) of pledged securities held by the custodial banks in the name of the fiscal agent (GASB category 3).

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 INVESTMENTS

The Red River Parish Sheriff maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Sheriff may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair value as of the balance sheet date.

Investments can be classified according to the level of risk to the entity. Investments made by the Red River Parish Sheriff as of June 30, 2001 are summarized below by the category of risk.

- Category 1 Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.
- Category 2 Uninsured or registered with securities held by the counterparty's trust department or agent in the entity's name.
- Category 3 Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

Type of Investments	Category Risk			Reported Amount	Fair Value
	1	2	3		
Certificates of deposit	\$ 175,647	\$ 0	\$ 0	\$ 175,647	\$ 175,647
Total	<u>\$ 175,647</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 175,647</u>	<u>\$ 175,647</u>

NOTE 4 RECEIVABLES

Accounts receivable in the amount of \$81,374 at June 30, 2001, as shown on Exhibit A, are shown below. All receivables at June 30, 2001, were determined to be fully collectible.

Taxes	\$ 5,146
Intergovernmental	23,459
Fees, charges, and commissions for services	52,500
Other	<u>269</u>
Total	<u>\$ 81,374</u>

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 5 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
Land	\$ 22,278	\$ 0	\$ 0	\$ 22,278
Automobiles	418,591	224,144	151,212	491,523
Office furniture and equipment	470,768	25,674	102,333	394,109
Total	<u>\$ 911,637</u>	<u>\$ 249,818</u>	<u>\$ 253,545</u>	<u>\$ 907,910</u>

NOTE 6 PENSION PLAN

Substantially all employees of the sheriff's office are members of the Sheriff's Pension and Relief Fund ("System"), a multiple-employer, cost-sharing public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees. Contributions of participating sheriffs, together with shared local and state revenues, are pooled within the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month and who are between the ages of 18 and 50 at the time of original employment are required to participate in the system. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their average final salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent if total service is at least 12 but less than 15 years, 2.75 percent if total service is at least 15 but less than 20 years, and 3 percent if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of the final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefits accrued to their date of termination. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Sheriffs Pension & Relief Fund, Monroe, Louisiana, 71210-3163 or by calling (318) 362-3188.

Contributions to the system include one-half of 1 percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the State of Louisiana. State statute requires covered employees to contribute 9.7 percent of their salary to the system and requires an employer contribution equal to 6.00 percent of each covered employee's salary. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Red River Parish Sheriff's contributions to the System for the year ending June 30, 2001, were \$61,624, equal to the required contribution for the year.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS

The Red River Parish Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach retirement age of 55 and have 16 years of service. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due, which totaled \$168,772 for the year ended June 30, 2001. The cost of retiree benefits totaled \$12,846 for 5 retirees.

NOTE 8 LEASES

The Red River Parish Sheriff is obligated under one lease agreement accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations, and therefore, the result of the lease agreements are not reflected in the General Fixed Assets Account Group. The lease is for office space and ten acres. The terms of the lease is for four years ending June 30, 2004 with monthly payments of \$100.

The following is a schedule of future minimum rental payments required under leases that have initial or remaining noncancellable lease items as of June 30, 2001:

Year Ending June 30,	
2002	\$ 1,200
2003	1,200
2004	<u>1,200</u>
Total	<u>\$ 3,600</u>

The Red River Parish Sheriff was not obligated under any capital leases at June 30, 2001.

NOTE 9 LITIGATION

The Red River Parish Sheriff was not involved in any litigation at June 30, 2001.

NOTE 10 AD VALOREM TAXES

Ad valorem taxes are assessed on a calendar year basis, become due on December 31 of each year, and become delinquent on January 1. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation - 3 and GASB Codification P70 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

For the 2000 tax year, taxes of 13.29 mills were levied on property with assessed valuation of \$34,949,490 and a taxable value of \$26,292,970 and were dedicated to the law enforcement district. Total taxes levied were \$349,435. Taxes receivable at June 30, 2001, totaled \$5,146. The Sheriff did not collect total taxes levied due to Louisiana Tax Commission reductions in the tax roll.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

NOTE 11 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

NOTE 12 EXPENSES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The Red River Parish Police Jury provided office space and paid the utilities related to the office space of the Red River Parish Sheriff for the year ended June 30, 2001.

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and other funds.

Fines, Bonds and Costs Fund - The Fines, Bonds and Costs Fund accounts for collections of fines, bonds and costs and payment of these collections to the recipients in accordance with applicable laws.

Civil Fund - The Civil Fund is used to account for funds held for disposition in connection with civil suits, sheriff's sales and garnishments and the payments of these collections to the recipients in accordance with applicable law.

Tax Collector Fund - Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

SCHEDULE 1

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

	<u>Fines, Bonds and Costs Fund</u>	<u>Civil Fund</u>	<u>Tax Collector Fund</u>	<u>Totals</u>
ASSETS				
Cash	\$ <u>82,937</u>	\$ <u>22,124</u>	\$ <u>86,785</u>	\$ <u>191,846</u>
Total Assets	\$ <u>82,937</u>	\$ <u>22,124</u>	\$ <u>86,785</u>	\$ <u>191,846</u>
LIABILITIES				
Due to taxing bodies and others	\$ <u>82,937</u>	\$ <u>22,124</u>	\$ <u>86,785</u>	\$ <u>191,846</u>
Total Liabilities	\$ <u>82,937</u>	\$ <u>22,124</u>	\$ <u>86,785</u>	\$ <u>191,846</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2001

<u>Fines, Bonds and Costs Fund</u>	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2001</u>
ASSETS				
Cash	<u>\$ 87,138</u>	<u>\$ 324,328</u>	<u>\$ 328,529</u>	<u>\$ 82,937</u>
LIABILITIES				
Due to Taxing Bodies and Others	<u>\$ 87,138</u>	<u>\$ 324,328</u>	<u>\$ 328,529</u>	<u>\$ 82,937</u>
<u>Civil Fund</u>				
ASSETS				
Cash	<u>\$ 17,582</u>	<u>\$ 129,168</u>	<u>\$ 124,626</u>	<u>\$ 22,124</u>
LIABILITIES				
Due to Taxing Bodies and Others	<u>\$ 17,582</u>	<u>\$ 129,168</u>	<u>\$ 124,626</u>	<u>\$ 22,124</u>
<u>Tax Collector Fund</u>				
ASSETS				
Cash	<u>\$ 377</u>	<u>\$ 3,457,434</u>	<u>\$ 3,371,026</u>	<u>\$ 86,785</u>
LIABILITIES				
Due to Taxing Bodies and Others	<u>\$ 377</u>	<u>\$ 3,457,434</u>	<u>\$ 3,371,026</u>	<u>\$ 86,785</u>
<u>Total - All Agency Funds</u>				
ASSETS				
Cash	<u>\$ 105,097</u>	<u>\$ 3,910,930</u>	<u>\$ 3,824,181</u>	<u>\$ 191,846</u>
LIABILITIES				
Due to Taxing Bodies and Others	<u>\$ 105,097</u>	<u>\$ 3,910,930</u>	<u>\$ 3,824,181</u>	<u>\$ 191,846</u>

The accompanying notes are an integral part of this statement.

SCHEDULE 3

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SCHEDULE OF EXPENDITURES
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2001

Salaries and Related Benefits	
Sheriff and deputies salaries	\$ 1,056,350
Other employees salaries	87,455
Employer's contributions to pensions	61,624
Group life and health insurance	168,772
Unemployment insurance cost	8,423
Other employee benefits	<u>25,095</u>
Total Salaries and Related Benefits	1,407,719
Operating Services	
Dues to associations	5,761
Telephone and utilities expense	12,762
Physicals and medical expense	2,646
Maintenance and repair	22,888
Legal and professional expenses	9,331
Insurance and bond premiums	<u>56,811</u>
Total Operating Services	110,199
Materials and Supplies	
Office supplies and expense	19,751
Keeping and feeding prisoners	37,276
Uniform expense	11,746
Gasoline and oil	43,612
Materials and supplies	<u>20,901</u>
Total Materials and Supplies	133,286
Travel and Other Charges	
Travel expense	4,017
Training expense	1,567
Other	<u>4,043</u>
Total Travel and Other Charges	9,627
Capital Outlay	
Automobiles	224,144
Equipment	<u>25,674</u>
Total Capital Outlay	<u>249,818</u>
TOTAL EXPENDITURES	<u>\$ 1,910,649</u>

The accompanying notes are an integral part of this statement.

HINES, JACKSON & HINES

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1926-1999

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Buddy Huckabay
Red River Parish Sheriff
P. O. Box 375
Coushatta, Louisiana 71019

We have audited the financial statements of Red River Parish Sheriff, Coushatta, Louisiana, for the year ended June 30, 2001, and have issued our report thereon dated October 19, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Red River Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Red River Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Red River Parish Sheriff and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines

Natchitoches, Louisiana
October 19, 2001

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2001

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 5

RED RIVER PARISH SHERIFF
COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2001

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.